



State of Utah

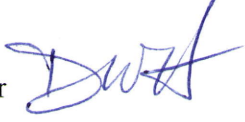
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 8, 2001

TO: Minerals File

FROM: D. Wayne Hedberg, Permit Supervisor 

RE: Documentation of May 1, 2001 Conference Call, Assessment Review & Status of Closure & Reclamation Activities, North Lily Mining Company, Tintic Project, M/023/007, Juab County, Utah

Date of Call/Meeting: May 1, 2001
Location: Division Offices
Time of Call/Meeting: 9:30 - 10:30 a.m.
Participants: Gene Webb - North Lily Mining Company; Walt Shubert, Bob Bayer - JBR; Larry Mize - DWQ; Mary Ann Wright, Wayne Hedberg, and Doug Jensen - DOGM

Purpose of Call/Meeting: The purpose of this conference call was to document the progress that has been made at the Tintic Project site since our last conference call on April 17, 2001.

On May 1, 2001, a conference call was held between the representatives identified above to discuss the status of ongoing closure and reclamation activities at the Tintic Project site. The discussion focused on activities that had been performed since our last conference call. A summary of the discussion items are detailed below:

- Wayne asked the status of the drain field installation. Bob stated they started the layout work yesterday and finished it this morning. Walt stated that they have started trenching work this morning. They presently have seven laborers, a track hoe and a front end loader working onsite. Walt said they have moved the caustic tank out of its old location so it can be worked on. They plan on cutting an end out, removing and securing the dried residual contents, then sampling same for characterization and proper disposal. Respirators and associated protective equipment will be worn by the workers. Walt believes that most of the material is a combination of rust, scale and some precipitated caustic soda. They have 55-gallon drums to containerize the materials for offsite disposal, if necessary.
- Bob said he had faxed over a response to Carl Wadsworth at DSHW this morning, which should resolve the remaining concerns for a permit exemption by rule to use the barren pond for disposal of the demolition debris. He expects to hear back from Carl by the end of the week.

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- Walt stated that they have a problem developing onsite with *Whitetop*, a weed species. Bob said they have a contractor coming out today to spray the site. Bob also asked for direction concerning identification and treatment for *Spotted Knapweed*. Doug suggested that they have Elwin trained to identify both weedy species and to spot treat the weeds, as necessary, after the contractor sprays the area today.
- Gene said that Chief Consolidated will take the balance of the remaining equipment from the process building. He will contact Chief today about scheduling the removal of same and call Wayne later this afternoon with an answer. Elwin will take the office trailer for his personal use.
- We asked if the water tank was gone yet. Gene said the tank was sold, but they would like to have water available on site for emergencies such as fire suppression during the demolition and reclamation phases. All agreed this seemed reasonable. Doug explained that he understood that the electrical power to the water well has been shut off by the well owner. Gene said North Lily has a right to the water until the project is completed and that he will make arrangements to get it turned back on and the tank filled as soon as possible.
- Walt said they have continued to run the pond evaporation system 24 hours a day and they hope to continue for another week or so before switching to a daytime misting schedule as the water level continues to drop in the pond.
- Walt said he had taken the required drain down water sample and sent it in to the lab for chemical analysis, a week or so ago.
- Revisions to the reclamation and closure schedule were discussed and Wayne agreed to send the revised schedule with the next conference call memo to all parties.
- The next scheduled conference call was confirmed for May 15th, at 9:30 a.m.

Note: *Revised Reclamation and Closure Plan schedule attached.*

The AT&T conference call dial in #: (888) 232-0370; Participant Code # : 414075

jb

Attachment: revised reclamation & closure plan schedule

cc: Steve Flechner, NLMC
Bob Bayer, JBR
Dennis Frederick, DWQ
Larry Mize, DWQ
Mary Ann Wright, DOGM
Walt Shubert

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Exhibit A - Stipulation and Consent Order
North Lily Mining Company - M/023/007

Reclamation and Closure Plan Schedule NORTH LILY MINING COMPANY Silver City, Utah Heap Leach Facility (Revised 5/8/01)			
	Component	Start Date	Anticipated Completion Date
1.	All reclamation/closure work to be completed except for facilities/features required for post closure monitoring (or post closure fluid management system).		December 31
2.	Construct Post-Closure Fluid Management System	4/01/01	5/15/01
Assessment Review & Schedule Readjustment (Conf. Call)			<i>January 23/01</i>
3.	Inventory and Dispose of Salvageable, Recyclable, and Unusable Materials 2.1 Inventory 2.2 Disposal	July 10, 2000 July 30, 2000	<i>3/30/01</i> DONE
4.	Acquire permit from Division of Solid and Hazardous Waste for use of barren pond for construction waste	4/12/01	5/07/01
Onsite Mill Building Materials Inventory (JBR/OGM/DWQ)			<i>February 1/01</i>
Assessment Review & Schedule Readjustment (Conf. Call)			<i>February 6/01</i>
Assessment Review & Schedule Readjustment (Conf. Call)			<i>February 20/01</i>
Assessment Review & Schedule Readjustment (Conf. Call)			<i>March 6/01</i>
5.	Relocating the electrical mcc.		3/16/01
6.	Dismantling and removal of the process building.	4/1/01	5/15/01
Assessment Review & Schedule Readjustment (Conf. Call)			<i>March 19/01</i>
7.	Removal of all saleable or salvageable equipment and materials from process building in preparation of the demolition of this building.	4/1/01	<i>5/18/01</i> <i>removal and temporary storage in parking lot if necessary</i>
8.	Removal of LP gas tank, water tank and electrical support for office trailer, prepare trailer for removal.	4/1/01	5/22/01
Assessment Review & Schedule Readjustment (Conf. Call)			<i>April 3/01</i>

9.	Place debris in barren pond and close.	4/12/01	5/22/01
10.	Disposal of steel tanks (including caustic tank) and all saleable equipment, if the equipment cannot be sold in a timely manner it should be removed to an off-site storage yard.	4/15/01	5/15/01
Assessment Review & Schedule Readjustment (Conf. Call)			<i>April 17/01</i>
11.	Installation of sediment sump near pad margin and connect to existing fluid management system.	4/19/01	5/29/01
12.	Installation of collection system and piping to facilitate change-over to gravity feed system for fluid management system.	4/30/01	5/29/01
Assessment Review & Schedule Readjustment (Conf. Call)			<i>May 1/01</i>
13.	Regrading & recontouring of Pregnant, Barren and Overflow ponds, mill site and any other disturbed areas within the project area.	5/1/01	5/31/01
14.	Shutdown and remove pumping system from the pregnant pond.	5/7/01	5/31/01
15.	Removal of the electrical mcc.	5/14/01	5/31/01
Assessment Review & Schedule Readjustment (Conf. Call)			<i>May 15/01</i>
16.	Demolition and removal of the generator/oil storage shed.	5/1/01	5/4/01 COMPLETE
Assessment Review & Schedule Readjustment (Conf. Call)			<i>May 29/01</i>
Assessment Review & Schedule Readjustment (Conf. Call)			<i>June 12/01</i>
On-site Review			<i>June 26/01</i>
17.	Ripping, composted manure application, seeding	10/29/01	11/09/01